

Financial and operating results of the Capital Group PKP CARGO S.A. under restructuring for the first half of 2025



Warsaw, October 1, 2025





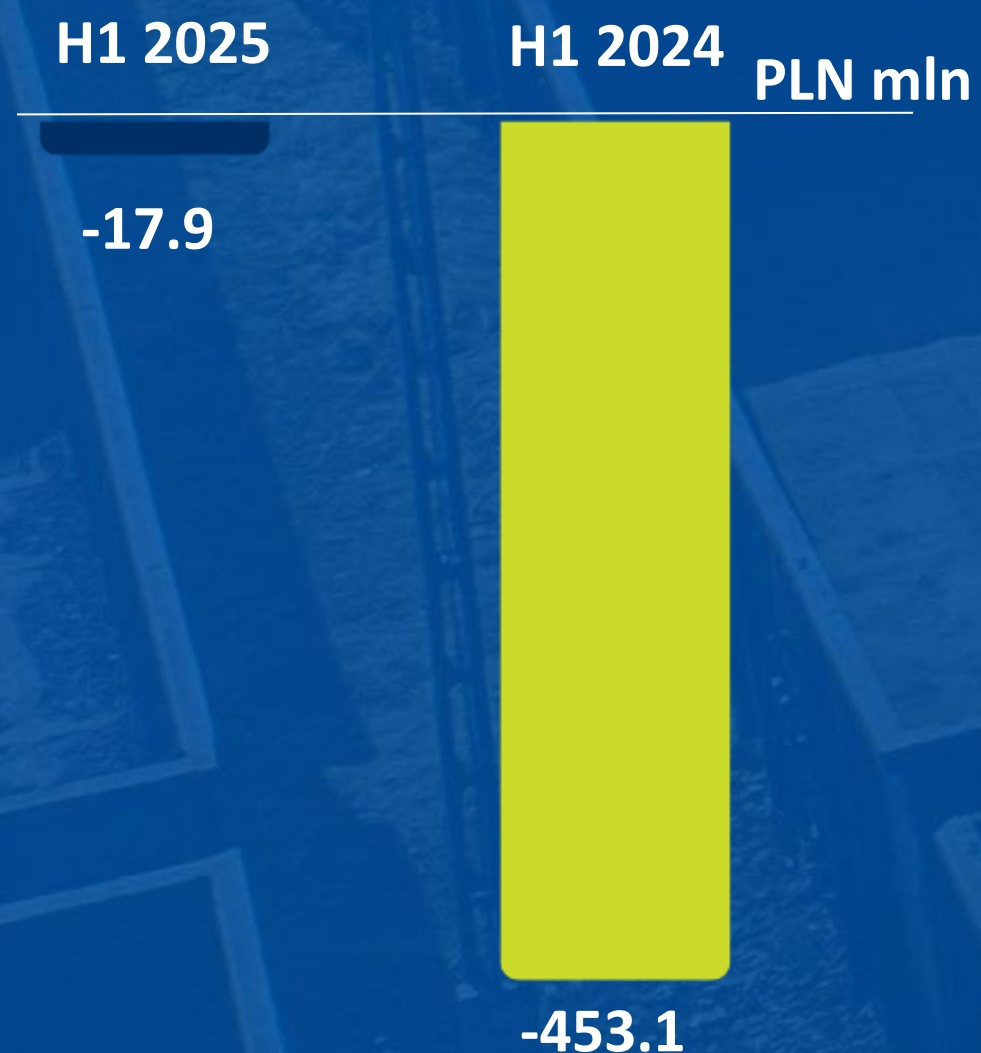
> Agenda

- **Key indicators**
- Restructuring Plan
- Operating results
- Financial results

- the Company, PKP CARGO, PKP CARGO S.A. this should be understood to mean PKP CARGO S.A. under restructuring
- the PKP CARGO Capital Group, the Group, the PKP CARGO Group or the Capital Group, this should be understood to mean PKP CARGO S.A. under restructuring and its subsidiaries collectively.

> Improvement in net result

Net result



After the first half of 2025, the PKP CARGO Capital Group recorded a net loss of PLN 17.9 million. This is a significantly better result than last year, when the net result was over PLN 450 million in the red. The impact of the restructuring and optimization measures taken is noticeable. The company is implementing the assumptions of the Restructuring Plan in terms of improving the functioning of its operations.

> Results of the PKP CARGO S.A. Capital Group

REVENUE FROM
CUSTOMERS CONTRACTS

1 821.2 PLN million

-20.8% h/h

NET RESULT

-17.9 PLN million

EBITDA

140.2 PLN million

-40.8% h/h

CARGO WEIGHT

31.1 million tons

-10.9% h/h

ASSETS

6 341.0 PLN million

INVESTMENT EXPENDITURES
(CAPEX)

172.3 PLN million

OPERATING COSTS
(excluding depreciation
and amortization)

1 710.3 mln zł

-18.1% h/h

TRANSPORTATION WORK

7 659 milion tkm

-16.0 % h/h

> Employment in the PKP CARGO S.A. Capital Group

EMPLOYMENT IN THE
GROUP (PERSONS)
AS OF:

30/06/2025

14 174

31/12/2024

14 734

WORKER POSITIONS
IN THE GROUP (PERSONS)
AS OF:

30/06/2025

10 528

31/12/2024

10 997

NON-WORKING POSITIONS
IN THE GROUP (PERSONS)
AS OF:

30/06/2025

3 646

31/12/2024

3 737

The most important changes concerning employment

- Since the beginning of 2025, the PKP CARGO Group has recorded a decrease in employment by 560 people, including 291 people in PKP CARGO S.A. alone.
- Due to the continuing decline in rail transport, in June 6, 2025, the Management Board of PKP CARGO S.A. under restructuring announced its intention to carry out collective redundancies.
- No consensus between the Company and the trade unions in August this year – decision to carry out collective redundancies.
- On September 18, 2025, the Rehabilitation Administrator issued the Collective Redundancies Regulations, thereby initiating the previously announced process of collective redundancies. As part of this process, as at September 30, 234 agreements were signed and 226 notices of termination were handed out.
- Delays in the payment of certain components of remuneration to current and former employees of the Company depending on financial and liquidity capabilities.



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➤ Restructuring plan – effects of implementing planned measures



In 2031, it will be possible to achieve EBITDA of over one billion



Decrease in the share of employee benefit costs in the total cost structure from approx. 45% to approx. 31%



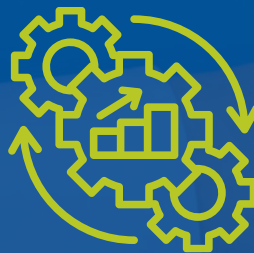
The revenue structure will change, among other things, due to a decrease in the share of revenue from hard coal transport to 13% and an increase in the share of intermodal transport to 19% in 2031.

➤ Restructuring Plan – planned restructuring measures



Restructuring of the sales area

- Sales stimulation
- Foreign expansion
- Development of transport services in the specialized and intermodal segments



Restructuring of the are of operations

- Increasing operational efficiency



Employment restructuring

- Optimization of employment in the administrative area
- Optimization of employment in production positions*



Restructuring of the information management area

- Information management

➤ Restructuring Plan – planned restructuring measures



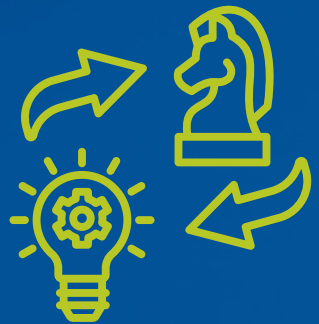
Restructuring of assets

- Sale of non-operational rolling stock
- Sale of non-operational real estate
- Sale of shares in selected subsidiaries



Restructuring of the structural area

- Restructuring of the Capital Group
- Incorporation of PKP Cargotabor into PKP Cargo
- Marger of PKP Cargo Connect and PKP Cargo Terminale



Supervision of strategy implementation

- Process and Project Management Office

> Restructuring plan – restructuring measures taken and implemented to date

Reduction of employment

- Collective redundancies in the period July-October 2024, resulting in a reduction in labor costs in 2025
- Consultations with the social side – possibility of reducing or excluding some of the employee rights under the Collective Bargaining Agreements as an alternative to collective redundancies
- The rejection of the above proposal resulted in the launch of collective redundancies on September 18, 2025. as at September 30, 234 agreements were signed and 226 notices of termination were handed out.

Sale of Cargotor Sp. z o.o.

- On June 12, 2024 PKP CARGO S.A. signed a letter of intent with PKP PLK S.A.
- On December 18, 2024 the parties signed Annex No. 1 to the letter.
- On July 31, 2025, the parties signed Annex No. 2 to the letter.

Optimization of rolling stock

On September 9, 2025, based on the results of an electronic auction organized for the sale of freight cars taken out of operational use, a total of 6,696 cars out of 7,801 were sold for a total net price of PLN 123.3 million. The process of selling remaining redundant wagons will be continued by PKP CARGO S.A. by announcing further proceeding in the coming months.

➤ Restructuring plan – restructuring measures taken and implemented to date

Change in organizational structure

As part of the restructuring of the organizational structure, the following measures were implemented:

- Reorganization of the transport division
- as of August 1, 2025, the Company operates as single employer, without a plant structure

Aligning the sales structure with strategic directions

- Operational excellence program
- New transport forecasting process
- New sales management process
- New market management process
- New concept for the Intermodal segment within the PKP CARGO S.A. Capital Group

Restructuring

➤ Restructuring plan – restructuring measures taken and implemented to date

Optimization measures in the area of rolling stock maintenance

- Reduction of Rolling Stock Maintenance Points (PUT)
- Reduction in the number of operating maintenance sections
- Reorganization of maintenance structures
- Reduction in employment in the area of rolling stock maintenance

Other significant activities

- Establishment of a new traction team substitution grid
- Amendment of the decision on the rules for traction teams to acquire route knowledge
- Creation of an application supporting the work of rolling stock inspections and freight train dispatchers (in progress)
- Introduction of mobile inspection vehicles equipped with equipment enabling the printing of R7 list and brake test cards (in progress)
- The Ministry of National Defense intend to invest PLN 400 milion in the purchase of rolling stock for the transport of military equipment
- Audit of real estate in terms of its use
- Review of the remuneration system in terms of increasing efficiency

The next expected milestone – Approval of the Restructuring Plan by the Creditor's Council in November 15, 2025.



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- Key indicators
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➤ Commodity groups of PKP CARGO S.A. for the first half of 2025 and changes h/h



SOLID FUELS

A gradual decline in the share of hard coal in the Group's transport (a 10.9% h/h decrease in transport by weight) as a fuel due to the adaptation of companies' operations to the requirements of the climate policy.



AGGREGATES AND BUILDING MATERIALS

Competition from rail carriers with spare capacity due to a decline in demand for transport, including coal, following restrictions on access to eastern markets. Increase in average transport distance by 2.4% due to a change in the structure/directions of deliveries.



METALS AND ORES

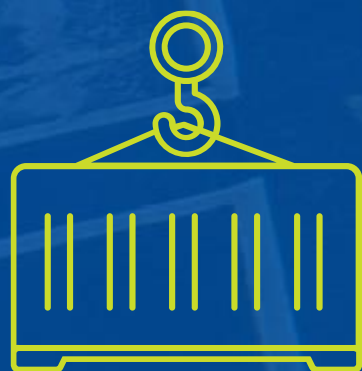
Acquisition for transport to the Czech Republic due to increased demand for scrap metal in the metallurgical sector. Increase in the average transport distance by 22 km (+8.7%) – change in the structure of transport relations.

➤ Commodity groups of PKP CARGO S.A. for the first half of 2025 and changes h/h



CHEMICAL PRODUCTS

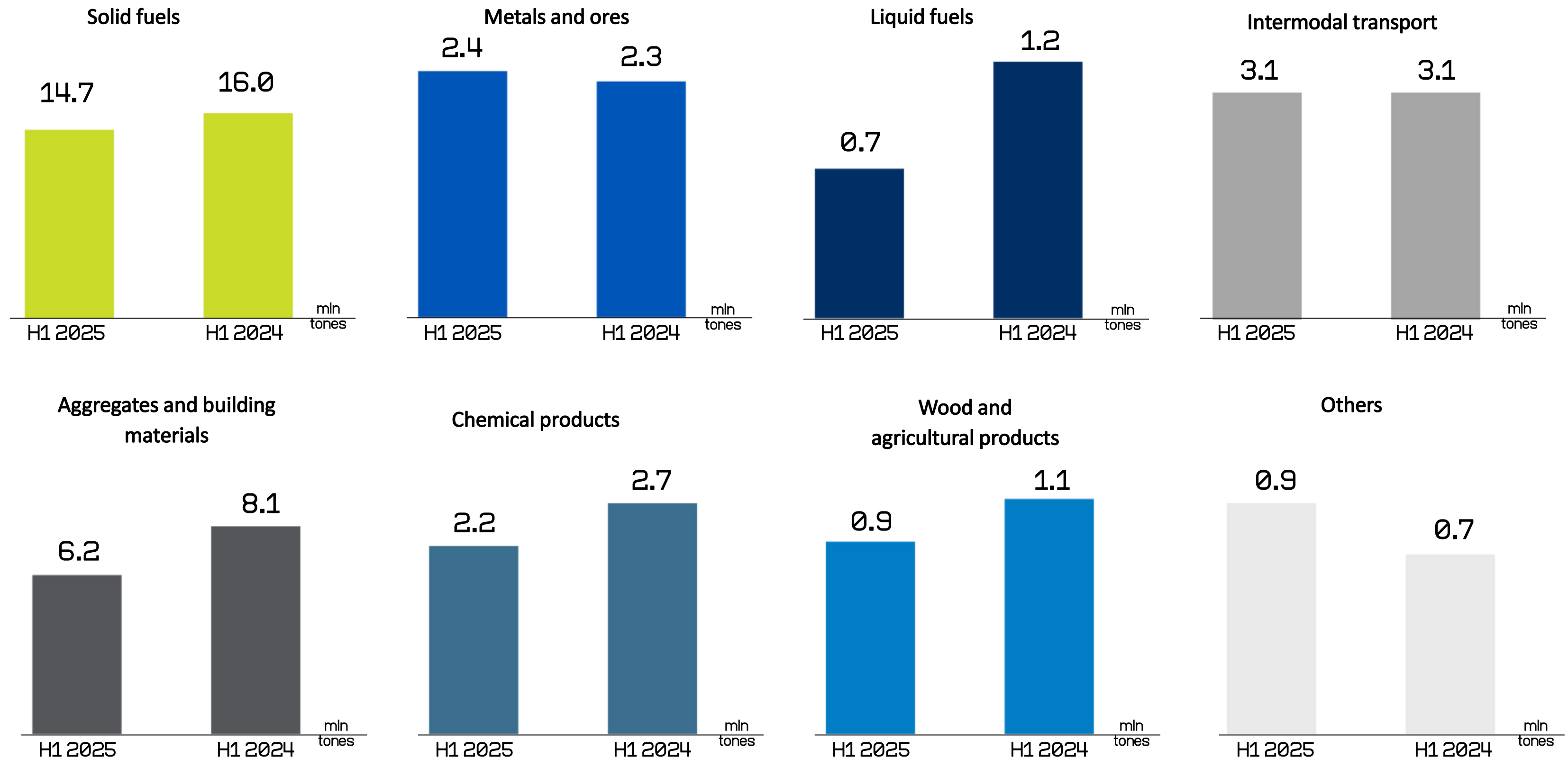
Reduces hydrocargon transport – limited shipments from the East due to the embargo in force. Increase in average transport distance by 6% - decrease in the share of short-distance shipments to Ukraine near the border.



Intermodal

Increased customer demand for transport via Polish seaports, signing of new contracts.

Transportation by the PKP CARGO S.A. Capital Group, by weight of goods



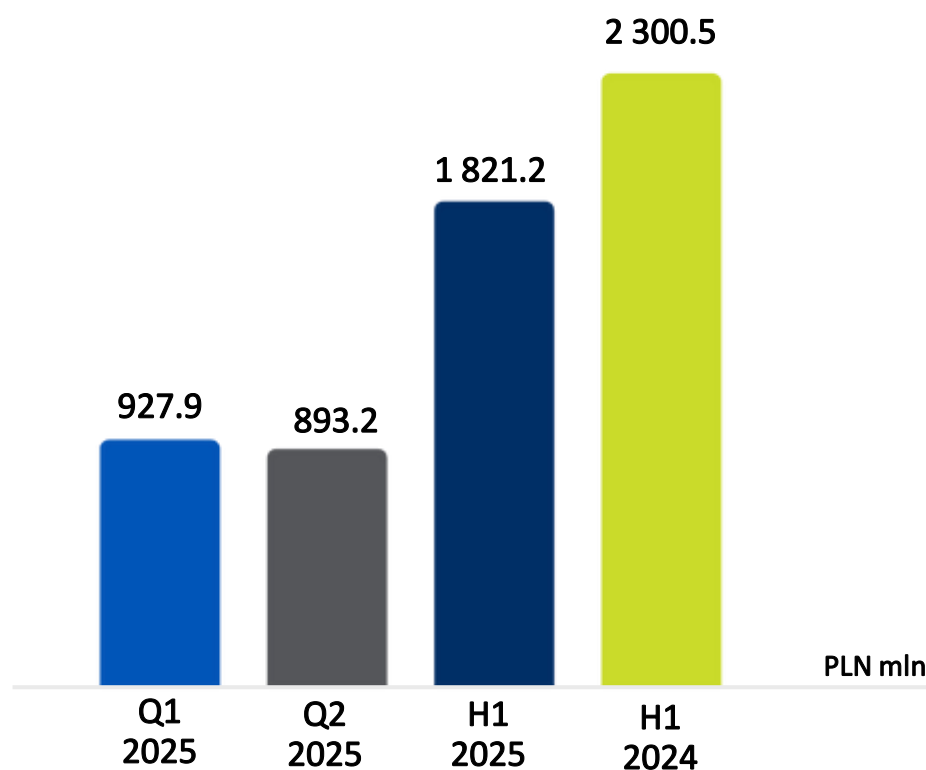


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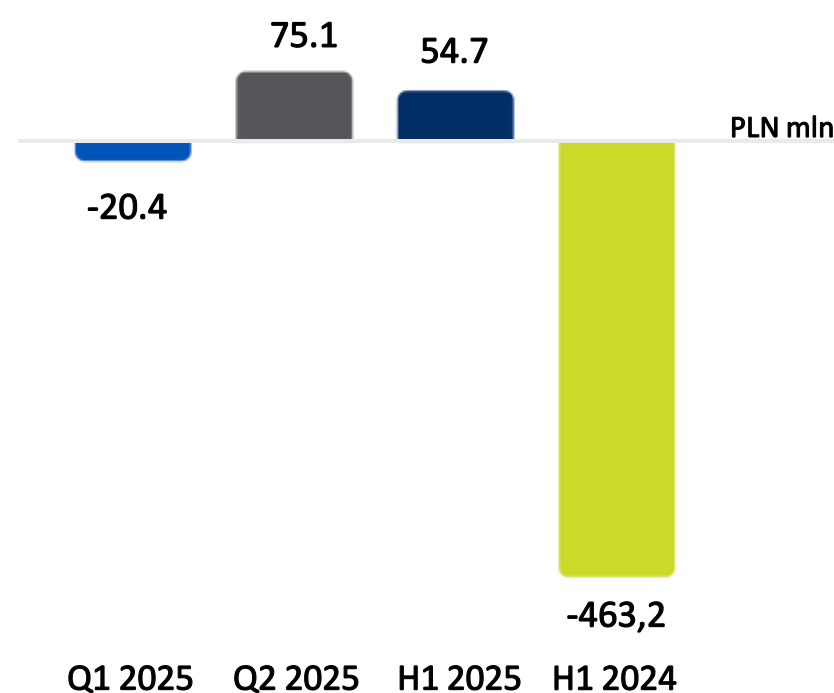
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> Spadek przychodów i EBITDA

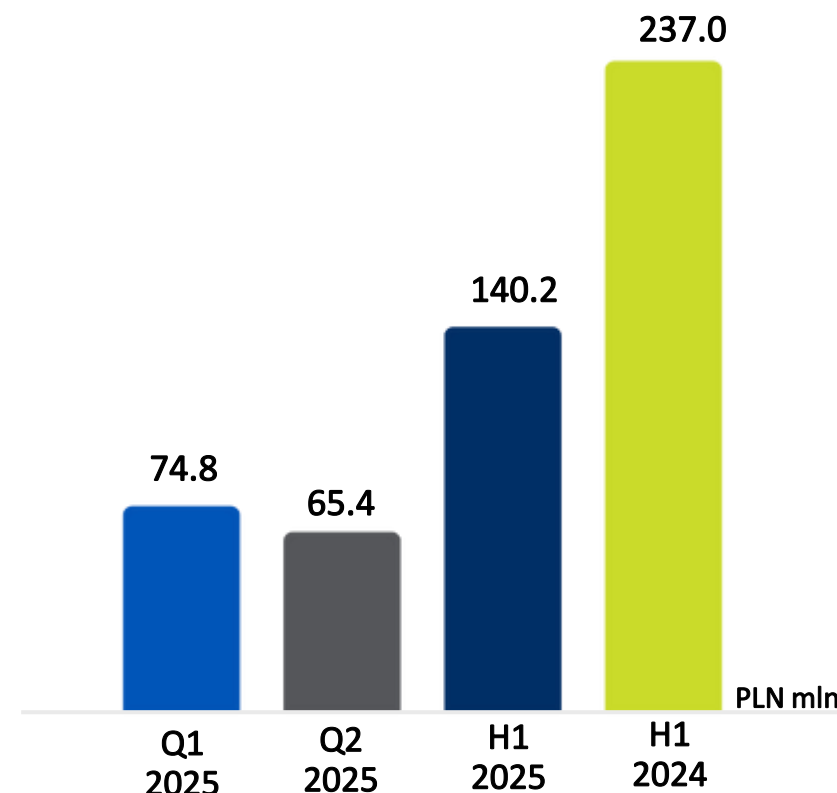
Revenue from contracts with customers



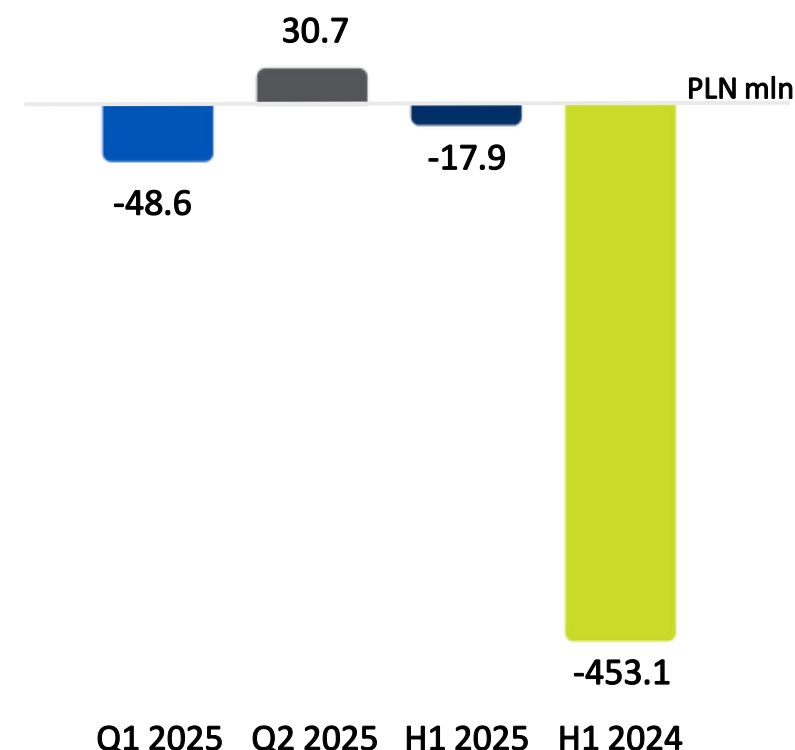
EBIT



EBITDA



Net result



Revenues and costs decreased by 20.8% and 18.1% h/h, respectively

- Decrease in revenues
 - from customer contracts, caused by a decrease in transported weight and until transport rates.
- Decrease in costs*
 - of depreciation and impairment losses, resulting from impairment losses recognized in 2024 and the revaluation of impairment losses as at June 30, 2025, resulting in a reduced base of depreciable fixed assets;
 - traction Energy and traction fuel consumption related to the decrease in transport performance;
 - Infrastructure access services in connection with the decrease in transport performance;
 - transport services (including freight forwarding) related mainly to the decrease in transport performance;
 - employee benefits as a result of group layoffs carried out in 2024.

> Capital expenditure of the Capital Group PKP CARGO S.A.

Structure of the rolling stock used by GK
PKP CARGO S.A. under restructuring



Railcars

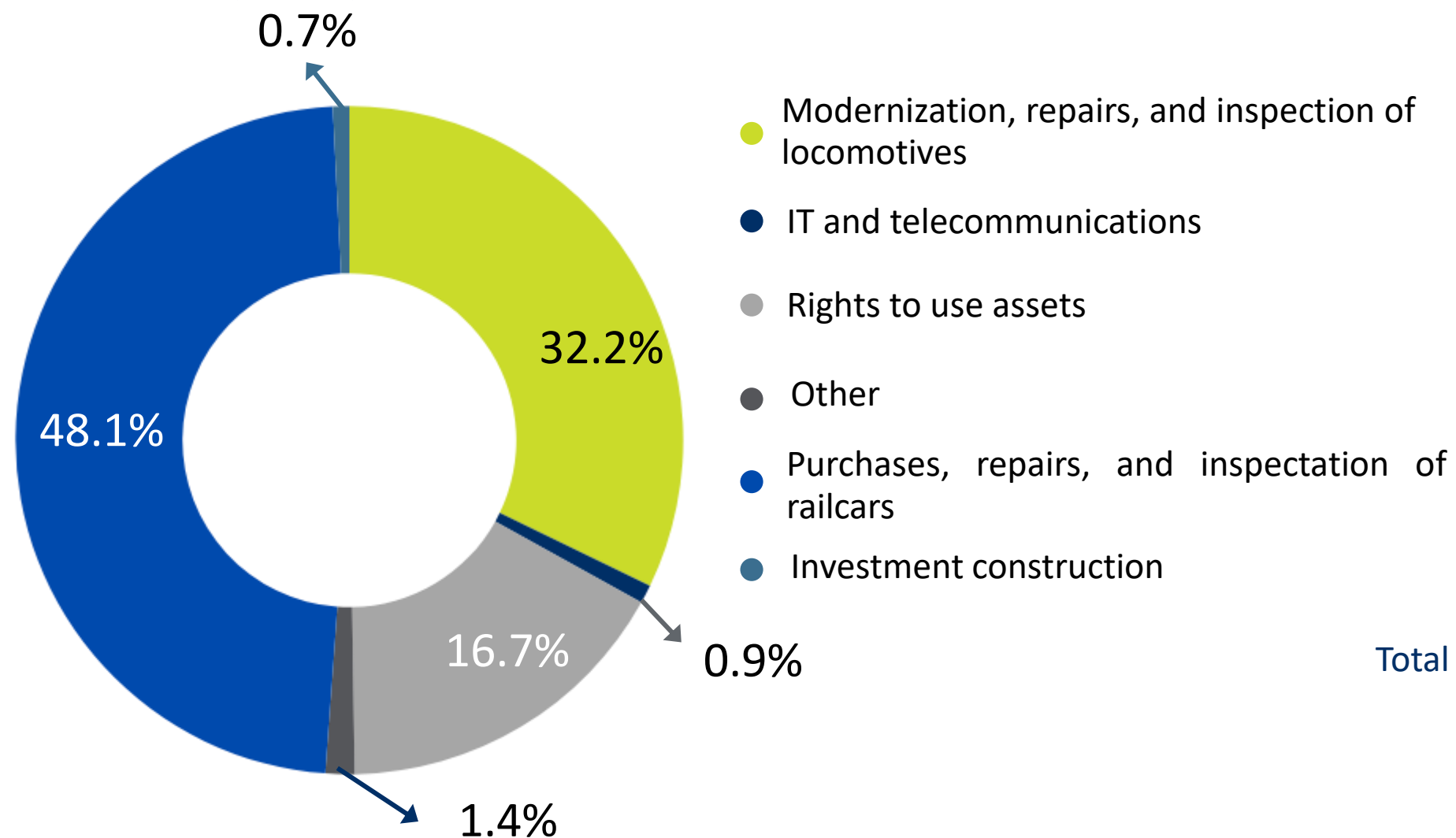
51 872



Locomotives

1 567

Structure of capital expenditure – H1 2025

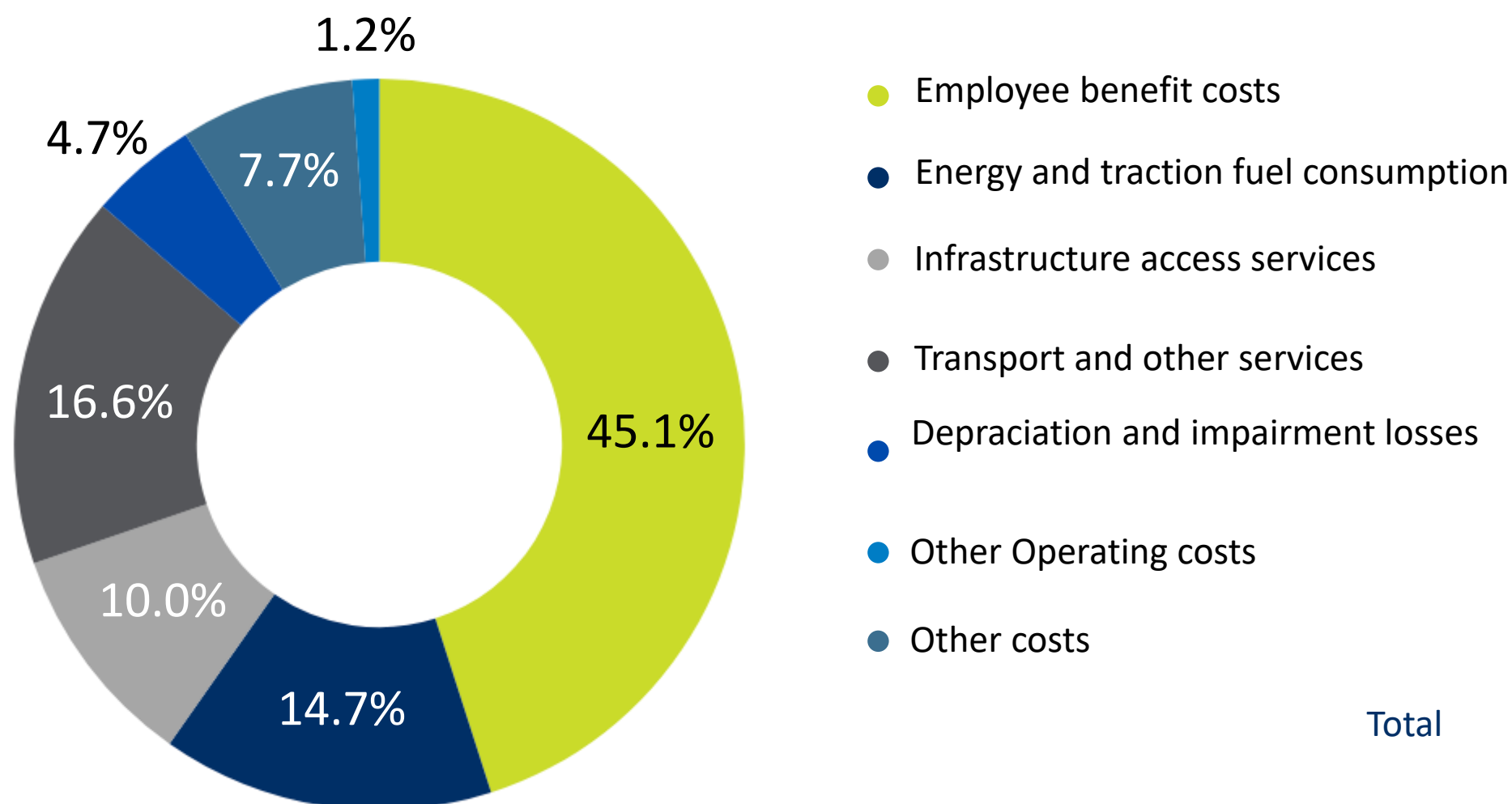


Total

6M 2025 PLN mln	6M 2024 PLN mln	Change h/h	Change % h/h
55.4	56.6	-1.2	-2.1%
1.6	2.9	-1.3	-44.8%
28.8	122.9	-94.1	-76.6%
2.4	7.0	-4.6	-65.7%
82.8	243.6	-160.8	-66.0%
1.3	3.0	-1.7	-56.7%
172.3	436.0	-263.7	

> Operating costs, cash flows, balance sheet structure of the Capital Group

Operating cost structure – H1 2025



	6M 2025 PLN mln	6M 2024 PLN mln	Change h/h	Change % h/h
Employee benefit costs	809.6	1 019.4	-209.8	-20.6%
Energy and traction fuel consumption	263.3	314.0	-50.7	-16.1%
Infrastructure access services	179.0	197.4	-18.4	-9.3%
Transport and other services	298.9	327.9	-29.0	-8.8%
Depreciation and impairment losses	85.5	700.2	-614.7	-87.8%
Other Operating costs	21.3	62.3	-41.0	-65.8%
Other costs	138.2	167.0	-28.8	-17.2%
Total	1 795.8	2 788.2	-992.4	

Cash flows (PLN million)

	H1 2025	H1 2024
Operating	145.5	501.7
Investing	-132.9	-297.8
Financing	-120.5	-295.0

Balance sheet structure (PLN milion) 30.06.2025 31.12.2024

Non-current assets	5 048.8	4 996.3
Non-current assets classified as held for sale	23.4	0.3
Current assets	1 268.8	1 443.0
Equity	709.8	746.2
Liabilities	5 631.2	5 693.4

Thank you for your attention

For further information, please contact the Promotion and Investor Relation Office PKP CARGO S.A. under restructuring
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